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SANUWAVE Health, Inc.

Form: 10-Q

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2009

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ to _____

Commission File Number: 000-52985

RUB MUSIC ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**20-1176000**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
5555 North Star Ridge Way, Star, Idaho	**83669**
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: **(208) 283-1542**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by checkmark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-3 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

The number of shares outstanding of the registrant's common stock as of May 15, 2009:
Common stock, par value $.001 – 40,700,000 shares

RUB MUSIC ENTERPRISES, INC.
FORM 10-Q

FOR THE QUARTER ENDED MARCH 31, 2009

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PART 1 - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

RUB MUSIC ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED BALANCE SHEETS

	March 31, 2009 (Unaudited)	December 31, 2008 (Consolidated)
ASSETS		
Current Assets:		
Cash	$ 3,136	$ 3,326
Royalty Rights	-	-
Total Assets	$ 3,136	$ 3,326
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts Payable	$ 13,231	$ 12,586
Accounts Payable – Related Party	-	21,776
Note Payable – Related Party	44,500	40,000
Accrued Interest Payable – Related Party	2,635	1,835
Total Current Liabilities	60,366	76,197
Commitments and Contingencies		
Stockholder's Deficit:		
Preferred Stock, $.001 Par Value, 5,000,000 Authorized, No Shares Issued and Outstanding	-	-
Common Stock, $.001 Par Value, 50,000,000 Shares Authorized, 40,700,000 Shares Issued and Outstanding	40,700	40,700
Additional Paid-In Capital	(69,331)	(91,107)
Retained Earnings	39,678	39,678
Deficit Accumulated During the Development Stage	(68,277)	(62,242)
Total Stockholders' Deficit	(57,230)	(72,971)
Total Liabilities and Stockholders' Deficit	$ 3,136	$ 3,226

See accompanying notes to consolidated condensed financial statements

RUB MUSIC ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,		Cumulative Amounts During Development Stage
	2009	2008	
Revenue	$ -	$ -	$ -
General and Administrative Expenses	5,235	1,799	65,507
Income (Loss) From Operations	(5,235)	(1,799)	(65,507)
Other Income (Expense):			
Interest Income	-	-	-
Interest Expense	(800)	-	(2,670)
Total Other Income (Expense)	(800)	-	(2,670)
Income (Loss) before Income Taxes	(6,035)	(1,799)	(68,177)
Income Tax Expense:			
Current	-	-	100
Deferred	-	-	-
Net Loss	$ (6,035)	$ (1,799)	$ (68,277)
Net Income (Loss) Per Common Share -			
Basic and Diluted	$ (0.00)	$ (0.00)	
Weighted Average Shares Outstanding -			
Basic and Diluted	40,700,000	40,700,000	

See accompanying notes to consolidated condensed financial statements

RUB MUSIC ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,		Cumulative Amounts During Development Stage
	2009	2008	
Cash Flows from Operating Activities			
Net Loss	$ (6,035)	$ (1,799)	$ (68,277)
Adjustments to Reconcile Net Loss to Net Cash Used In Operating Activities			
Increase (Decrease) in:			
Accounts Payable	645	(991)	6,597
Accounts Payable – Related Party	-	-	(6,000)
Accrued Interest Payable	-	-	(340)
Accrued Interest Payable – Related Party	800	-	2,635
Income Taxes Payable	-	-	(3,200)
Net Cash Used In Operating Activities	(4,590)	(2,790)	(68,585)
Cash flows from Investing Activities	-	-	-
Cash Flows from Financing Activities:			
Proceeds From Note Payable – Related Party	4,500	-	44,500
Payments of Notes Payable	-	-	(3,000)
Net Cash Provided By Financing Activities	4,500	-	41,500
Net Decrease in Cash	(90)	(2,790)	(27,085)
Cash, Beginning of Period	3,226	5,149	30,221
Cash, End of Period	$ 3,136	$ 2,359	$ 3,136

See accompanying notes to consolidated condensed financial statements

RUB MUSIC ENTERPRISES, INC.
(A DEVELOPMENT STAGE COMPANY)
Notes to Consolidated Condensed Financial Statements
(Unaudited)

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Development Stage

Rub Music Enterprises, Inc. ("Rub Music") and its wholly owned subsidiary, Rub Music Library, Inc. ("Rub Music Library"), (collectively the "Company") were incorporated under the laws of the State of Nevada on May 6, 2004. The Company's principal business was to produce and market original musical pieces for use in the commercial and entertainment industries. The Company encountered difficulties in developing this business, and recently ceased its operations. The Company once again became a development stage company, effective January 1, 2007, and is currently seeking a business opportunity.

Effective February 10, 2009, Rub Music transferred its interest in Rub Music Library to its former CEO in exchange for the forgiveness of accounts payable to the former CEO of $21,776.

Basis of Presentation – The consolidated condensed financial statements include the accounts of Rub Music through March 31, 2009 and Rub Music Library through February 10, 2009. All significant inter-company accounts and transactions have been eliminated in consolidation. The interim financial information of the Company as of March 31, 2009 and for the three-month periods ended March 31, 2009 and 2008 is unaudited, and the balance sheet as of December 31, 2008 is derived from audited financial statements. The accompanying consolidated condensed financial statements have been prepared in accordance with U. S. generally accepted accounting principles for interim financial statements. Accordingly, they omit or condense footnotes and certain other information normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles. The accounting policies followed for quarterly financial reporting conform with the accounting policies disclosed in Note 1 to the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008. In the opinion of management, all adjustments that are necessary for a fair presentation of the financial information for the interim periods reported have been made. All such adjustments are of a normal recurring nature. The results of operations for the three months ended March 31, 2009 are not necessarily indicative of the results that can be expected for the entire year ending December 31, 2009. The unaudited consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. However, the Company was only recently formed and has a limited operating history. Further, the Company has current liabilities in excess of current assets and a stockholders' deficit at March 31, 2009. The Company is currently seeking a business opportunity. These factors raise substantial doubt about the ability of the Company to continue as a going concern. In this regard management is proposing to raise any necessary additional funds not provided by operations through additional sales of its common stock. There is no assurance that the Company will be successful in raising this additional capital or in sustaining profitable operations. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

NOTE 3 – RELATED PARTY TRANSACTIONS

Effective February 10, 2009, Rub Music transferred its interest in Rub Music Library to its former CEO in exchange for the forgiveness of accounts payable – related party of $21,776. Due to the related party nature of this transaction, the transaction was recorded as a reduction of accounts payable – related party and an increase in additional paid-in capital of $21,776.

As of March 31, 2009, the Company had outstanding notes payable totaling $44,500 to its CEO. The notes are payable on demand, are unsecured and bear interest at an annual rate of 8%. Accrued interest payable on the note was $2,635 and $1,835 as of March 31, 2009 and December 31, 2008, respectively.

NOTE 4 – SUPPLEMENTAL STATEMENTS OF CASH FLOWS INFORMATION

During the three months ended March 31, 2009 and 2008, the Company paid no amounts for income taxes.

During the three months ended March 31, 2009 and 2008, the Company paid no amounts for interest expense.

During the three months ended March 31, 2009, the Company decreased accounts payable – related party and increased additional paid-in capital by $21,776. During the three months ended March 31, 2008, the Company had no non-cash financing and investing activities.

NOTE 5 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Financial Interpretation No. 48, “Accounting for Uncertainty in Income Taxes – An Interpretation of FASB Statement No. 109”, Statement of Financial Accounting Standards (“SFAS”) No. 163, “Accounting for Financial Guarantee Insurance Contracts – an Interpretation of FASB Statement No. 60”, SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles”, SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities”, SFAS No. 141R, “Business Combinations”, SFAS No. 160, “Noncontrolling Interests in Consolidated Subsidiaries”, SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115”, SFAS No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans”, SFAS No. 157, “Fair Value Measurements”, SFAS No. 156, “Accounting for Servicing of Financial Assets”, SFAS No. 155, “Accounting for Certain Hybrid Instruments”, and SFAS No. 154, “Accounting Changes and Error Corrections – a replacement of APB Opinion No. 20 and FASB Statement No. 3”, were recently issued. These recently-enacted accounting standards have no current applicability to the Company or their effect on the financial statements would not have been significant.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Since its inception on May 6, 2004, the Company attempted to establish a music library business that established a catalogue of copyrighted songs that it intended to license to parties who wished to use the songs and pay royalties for their use.

The Company encountered numerous problems and ceased its operations. The Company has now focused its efforts on seeking a business opportunity. The Company will attempt to locate and negotiate with a business entity for the merger of that target company into the Company. In certain instances, a target company may wish to become a subsidiary of the Company or may wish to contribute assets to the Company rather than merge. No assurances can be given that the Company will be successful in locating or negotiating with any target company. The Company will provide a method for a foreign or domestic private company to become a reporting ("public") company whose securities are qualified for trading in the United States secondary market.

Effective February 10, 2009, Rub Music transferred its interest in Rub Music Library to its former CEO in exchange for the forgiveness of accounts payable – related party of $21,776.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of the Company's financial condition and results of operations are based upon financial statements which have been prepared in accordance with U. S. generally accepted accounting principles. The following accounting policies significantly affect the way the financial statements are prepared.

Principles of Consolidation: The consolidated financial statements include the accounts of the Company through March 31, 2009 and Rub Music Library, Inc., its wholly owned subsidiary, through February 10, 2009. All significant inter-company balances and transactions have been eliminated.

Cash and Cash Equivalents: For purposes of the consolidated statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Since inception, the Company has not held any short-term investments considered to be cash equivalents.

Accounts Receivable: The Company records accounts receivable at the lower of cost or fair value. The Company estimates allowances for doubtful accounts based on its review of aged receivable balances, and writes off accounts receivable when management concludes the receivable is uncollectible. The Company considers accounts receivable to be past due or delinquent based on contractual terms. The Company had no accounts receivable at March 31, 2009 and December 31, 2008.

Revenue Recognition: The Company records royalty revenue when earned in accordance with the underlying agreements. Consulting and service revenue is recognized as services are performed. Through March 31, 2009, the Company had not earned any consulting and service revenues.

Income Taxes: The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Deferred income taxes are provided for items reported in different periods for income tax purposes than for financial reporting purposes.

OPERATIONS REVIEW

During the three-month periods ended March 31, 2009 and 2008, the Company had no revenues as it had ceased operations.

General and administrative expenses consist primarily of legal and accounting fees, stock transfer fees, license and permits and bank charges. General and administrative expenses were $5,235 and $1,799 for the three months ended March 31, 2009 and 2008, respectively. The increase in general and administrative expenses in the three months ended March 31, 2009 is due primarily to increased legal and accounting fees.

During the three-month period ended March 31, 2009, the Company incurred interest expense of $800 on a related party note payable to its CEO. No interest expense was incurred during the three-month period ended March 31, 2008.

The Company incurred no income tax expense during the three-month periods ended March 31, 2009 and 2008.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2009, the Company had current assets of $3,136, consisting of cash, and current liabilities of $60,366, resulting in a working capital deficiency of $57,230. Current liabilities at March 31, 2009 consist of trade accounts payable of $13,231, note payable – related party of $44,500, and accrued interest payable – related party of $2,635.

Since operations were discontinued effective January 1, 2007, the Company has had no source of revenues from which to pay its operating expenses. The Company has obtained working capital from related party debt, and will require additional capital from the sale of its common stock, debt or from other sources in order to pay its current obligations. There can be no assurance that the Company will be successful in these efforts.

Effective February 10, 2009, Rub Music transferred its interest in Rub Music Library to its former CEO in exchange for the forgiveness of accounts payable – related party of $21,776.

Net cash used in operating activities for three months ended March 31, 2009 was $4,590, compared to net cash used in operating activities of $2,790 for the three months ended March 31, 2008. The net cash used in operating activities for the three months ended March 31, 2009 was reduced by an increase in trade accounts payable of $645 and an increase in accrued interest – related party of $800. The net cash used in operating activities for the three months ended March 31, 2008 included a reduction in trade accounts payable of $991.

No net cash was provided by or used in investing activities during the three-month periods ended March 31, 2009 and 2008.

Net cash provided by financing activities for the three months ended March 31, 2009 consisted of proceeds of $4,500 from a note payable to the Company's CEO. No net cash was provided by or used in financing activities for the three months ended March 31, 2008.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is currently not subject to market risks.

ITEM 4T. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

Our management, with the participation of our president and our chief financial officer, carried out an evaluation of the effectiveness of our "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15-d-15(e)) as of the end of the period covered by this report (the "Evaluation Date"). Based upon that evaluation, our president and our chief financial officer concluded that, as of the Evaluation Date, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to our management, including our president and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in internal controls

During the most recent fiscal quarter covered by this report, and since that date there has been no change in the Company's internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not currently involved with any pending litigation.

ITEM 1A. RISK FACTORS

During the quarter ended March 31, 2009, there were no material changes to the risk factors previously reported by the Company in its Annual Report on Form 10-K for the year ended December 31, 2008.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the quarter ended March 31, 2009, the Company had no unregistered sales of equity securities.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the quarter ended March 31, 2009.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Principal Executive and Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification of Principal Executive and Financial Officer pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*

* Exhibits filed with this report

SIGNATURES

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REGISTRANT

RUB MUSIC ENTERPRISES, INC.

Dated: May 15, 2009

By: */S/ Cornelius A. Hofman*
Cornelius A. Hofman
(Principal Executive and Financial Officer)

EXHIBIT 31

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Cornelius A. Hofman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rub Music Enterprises, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2009

/s/ Cornelius A Hofman
Cornelius A. Hofman
Chief Executive Officer
Chief Financial Officer

EXHIBIT 32

CERTIFICATION OF PRINCIPAL EXECUTIVE AND FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES - OXLEY ACT OF 2002

In connection with the Quarterly Report of Rub Music Enterprises, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, Cornelius A. Hofman, President and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

a. the Quarterly Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

b. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2009

/s/ Cornelius A. Hofman
Cornelius A. Hofman
(Principal Executive and
Financial Officer)